

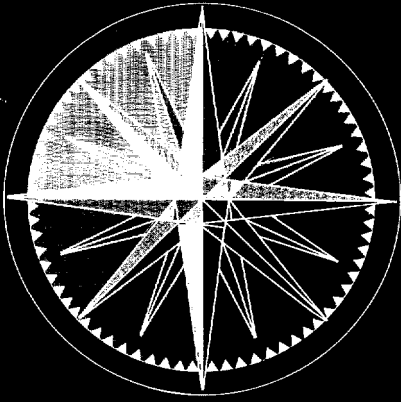
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SPECIAL REPORT

OFFICE OF CURRENT INTELLIGENCE

THE INTERNAL SECURITY SITUATION IN BOLIVIA

CENTRAL INTELLIGENCE AGENCY

MORI/CDF

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2 August 1963

THE INTERNAL SECURITY SITUATION IN BOLIVIA

The tense situation in Bolivia is largely an outgrowth of the approaching showdown between President Victor Paz Estenssoro and Vice President Juan Lechin over which is to be the Nationalist Revolutionary Movement's (MNR) presidential nominee next year. Lechin's political power is based on Bolivia's well-organized union movement and particularly the tin miners' union, dominated by the far-leftists, which is carrying out sporadic strikes to thwart President Paz' rehabilitation plans for the mines. This may be the result of instructions left by Lechin as he returned to his ambassadorial post in Rome in mid-June. Lechin probably was aware that Paz, with strong US backing, was preparing to carry out a mine reform program designed to weaken the ability of the mine unions to interfere with the state mining corporation's management decisions. Furthermore, Lechin reportedly instructed other unions to agitate for excessively high wage increases in order to precipitate a general strike by early August. The vice president then apparently planned to return to Bolivia in September or October as a peacemaker, hoping to harvest the political benefits of a settlement.

Background

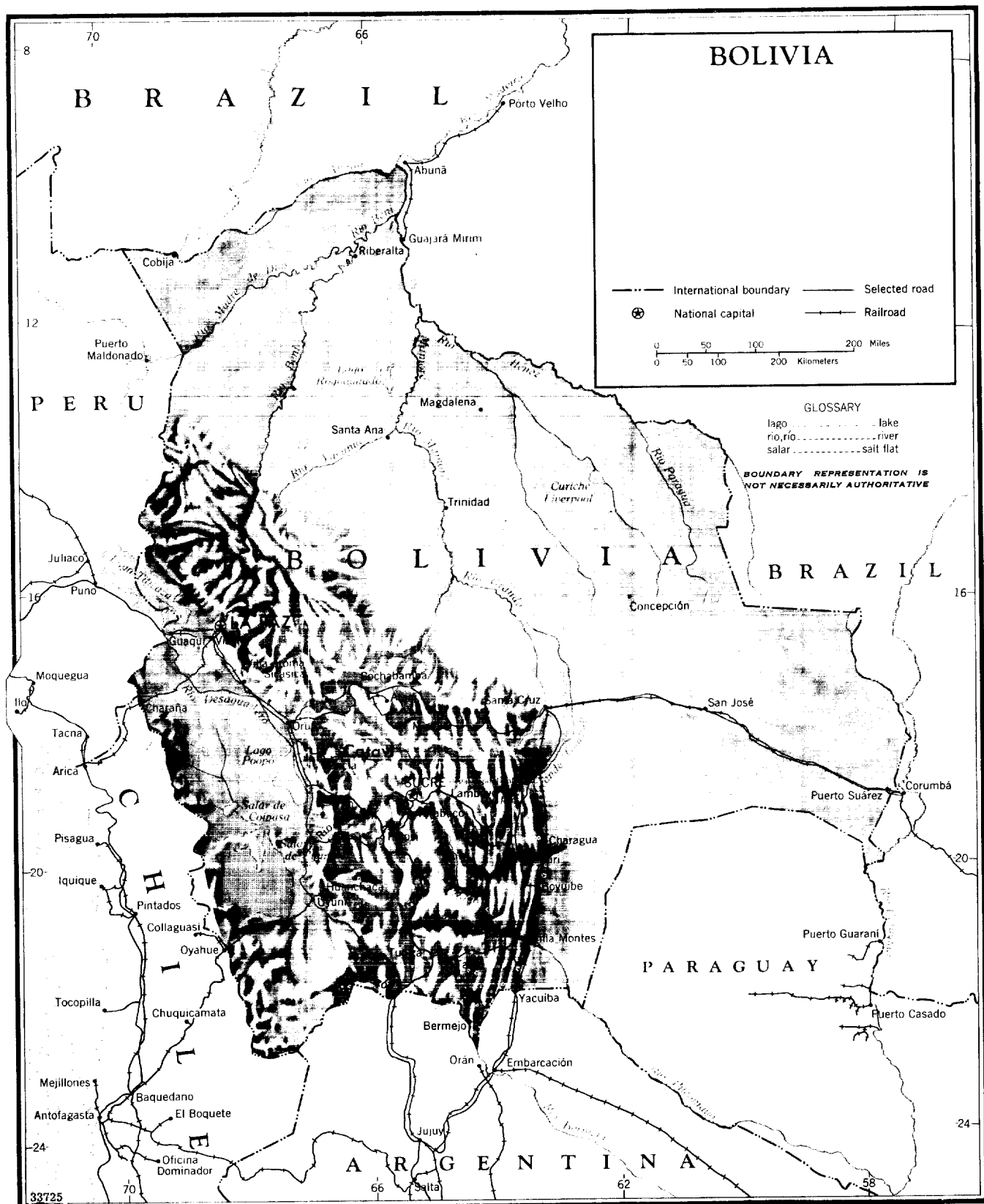
The Paz regime periodically has encountered the defiance of ambitious and opportunistic local political leaders backed by armed civilian militia forces. The civilian militia, the most important units of which are those of the peasants and those of the miners, has enjoyed a privileged position in Bolivia because it is credited with playing the major role in the MNR defeat of the army in the 1952 revolution. This paved the way for the coming to power of the present MNR regime in that same year.

Units of the militia vary considerably in size, training, and weapons. Militia units at

the tin mines are considered the most effective in part because of their access to explosives. The civilian militia, with a strength of over 16,000, is larger than the 12,000-man army and police force of 3,500 combined, but the militia is not a unified force. Militia weapons generally consist of rifles and possibly some old light machine guns--1932-1935 Chaco War vintage--which are nonetheless serviceable.

The principal cause for outbreaks of violence in the past has been the desire of individual militia leaders to dominate provincial areas. Conflicts between rival peasant leaders have frequently resulted

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in serious disorders in the Cochabamba Valley in central Bolivia and in the Achacachi-Coroico area northeast of the capital of La Paz. The principal centers of strength for the miners' militia are the larger tin mines of Catavi, Huanuni, and Milluni.

Since early March 1963, President Paz Estenssoro has been successful in supplanting a number of pro-Communist or Communist peasant leaders in the Department of La Paz. He also has been successful in garnering the support of some influential leaders in the Cochabamba Valley and in the eastern Department of Santa Cruz. There are still peasant leaders in the rural areas, however, who are anti-regime and probably pro-Communist, and who have a potential for disruptive actions against the government. The pro-Paz leadership of the National Peasant Organization, which claims to represent all Bolivian peasant groups, is a force which has been used by the government to carry out its campaign against the extremist peasant leaders. This organization augmented by government security forces is suf-

ficient to preserve relative order and foster proregime sentiment in the rural areas.

Current Developments

The miners' militia, especially the armed miners at Catavi, is the single most important threat to the stability of the government at this time. The Catavi miners are led by two Communist-Trotskyists, Federico Escobar and Ireneo Pimentel. A report prepared [redacted]

[redacted] In October

1962 places the strength of the Catavi militia at over 2,000. The leaders at Catavi and at the other nationalized mines in Bolivia are focusing their militant opposition on the government's desire to carry out mining reforms to end the uneconomic operations in the mines in accordance with the recommendations of the Triangular Plan.

The Triangular Plan is a joint undertaking by the US, West Germany, and the Inter-American Development Bank to rehabilitate Bolivia's tin mines. The goal is to strengthen Bolivia's economy by decreasing the state mining corporation's high costs and increasing the government's foreign exchange earnings, thereby making economic diversification more feasible. The Plan has been a main target for Communist opposition, because its success probably could lead to a large measure of growth and stabilization of the Bolivian economy.

Work continues only sporadically at Catavi, the country's largest tin mine. Locals of the Lechinist, pro-Communist-led Factory Workers' Union have struck in Cochabamba and at a key flour factory in La Paz. The army has

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been placed on alert and confined to quarters. [REDACTED]

[REDACTED] the Bolivian Government may find it necessary to request US Special Forces assistance in order to maintain internal security. He indicated that this might be necessary if open conflict breaks out between the miners' militia and government forces. No further mention of this matter has been made, however, by any Bolivian military or government official.

Outlook

Unless the negotiations between the miners' union and the state mining corporation (Comibol) arrive at an "adequate solution" to the mine rehabilitation problem, the union threatens to call a general strike in all the Bolivian tin mines. Because of the political loyalty to Lechin of most of the unions in Bolivia, many of which are led by Communists or extreme leftists, such a strike could spread to other industries. In addition, those peasant groups whose leaders are still of an extremist inclination could possibly be expected to join in the general strike.

The unrest at Catavi is likely to come to a head in early August. The government reportedly has sent some 200 agents to the mining area with instructions to "get rid of" the Communist union leaders. This and other government moves could provoke violent reactions from the miners. Violence may also result if the miners' militia acts on its threat to publicize its cause by a demonstration procession to La Paz.



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The government's current security measures are apparently designed to isolate the key area of Catavi. The agents sent to the Catavi area are to try to prevent a march on La Paz. If violence breaks out at Catavi, Paz may send regular security forces or possibly army troops, and may declare a national state of siege.

The government probably will be successful in preventing a march on the capital, and the rather isolated miners' militias probably will be kept from joining forces among themselves and with such outside forces as sympathetic peasant groups. If the government can "seal off" crucial areas such as Catavi, the withdrawal of wages and the stopping of normal Comibol supplies to the local mine commissaries will probably be sufficient to bring the miners to a point of capitulation. Nevertheless, the situation is such that an open conflict between the miners' militia and government forces could be touched off should an incident develop to sufficiently inflame the miners. (SECRET)

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